

# Exhibit M

(previously filed as Dkt. 647-13)

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
Alexandria Division**

United States of America, *et al.*,

Plaintiffs,

v.

Google LLC,

Defendant.

Case No. 1:23-cv-00108-LMB-JFA

Hon. Leonie H. M. Brinkema

**EXPERT REPORT OF ROBIN S. LEE, PHD**

**December 22, 2023**

discussed in Section V.B.2.b Facebook’s acknowledged difficulties in accessing open-web publisher inventory for its advertiser ad network product.

- **Scale and data.** In addition, new entrants are disadvantaged by initially lacking scale. As I discussed in Section III.D.3, data is important for developing targeting algorithms and making predictions for offering CPC-to-CPM conversions, as well as running experiments used to evaluate new features and products. Advertiser ad networks also use large volumes of historical data to predict the probability that users will click on an ad.<sup>775</sup> As Google Ads executives explained in a 2017 presentation to the communications firm RingCentral, “All of these signals means we have a lot of data to work with ... We’re thus able to optimize with the same level of rigor that you would, but with exponentially more data, scale and precision.”<sup>776</sup> Absent sufficient data, entrant ad networks would be competitively disadvantaged relative to existing ad networks.
- **Google’s conduct.** As I discuss in Section VII.F.3, Google’s conduct that impaired the competitiveness of non-Google ad exchanges and publisher ad servers impeded rival advertiser ad networks from accessing publisher inventory through non-Google products.

### **V.D.3. Direct evidence of Google’s market power in the advertiser ad network market**

(534) Direct evidence of Google’s substantial and sustained market power in the advertiser ad network market includes:

- Google Ads’ ability to charge supracompetitive fees and vary its targeted margins significantly across impressions, and Google’s own analyses indicating that increasing fees would increase profits.
- Google’s ability to restrict Google Ads’ bidding on non-Google exchanges, thereby degrading the availability of publisher inventory for Google Ads’ advertiser customers to benefit AdX.
- Google Ads, by either bidding into or withholding its demand from an ad exchange, meaningfully affects payouts through the exchange.

#### **V.D.3.a. Google Ads is able to maintain supracompetitive fees, and vary its targeted margins to win more auctions, increase profits, and influence publisher behavior**

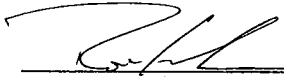
(535) Google Ads targets a [REDACTED] with Google Ads on Open Auction transactions through AdX, and a [REDACTED] on transactions it facilitates through AdSense.<sup>777</sup> A July 2018 “Sell-side Pricing

<sup>775</sup> See Section III.D.3 for further details.

<sup>776</sup> GOOG-AT-MDL-004522085, at -088.

<sup>777</sup> See GOOG-AT-MDL-006218257, (12/16/2022) (Google response to the EC’s RFI of October 31, 2022) at -264. GOOG-AT-MDL-000969513, at -525 (11/2020).

Expert Report of Robin S. Lee, PhD

  
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Robin S. Lee, PhD

December 22, 2023  
Date

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